GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2396
ANSWERED ON:13.03.2006
MECHANISM TO DETERMINE MRP ON DRUGS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the amount of Central Excise Duty collected from drugs for Cancer, HIV/AIDS and other life saving drugs during each of the last three years; and

(b) the mechanism to determine the Maximum Retail Price (MRP) of a drug and the percentage of profit for the producer added into the MRP?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS & MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQLE)

(a): lMo such information is being maintained separately by the Government.

(b):As per the present Pharma Pricing Policy, the 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed / revised by the National Pharmaceutical Pricing Authority (NPPA), as per provision of Para 7 of DPCO,95. In case, there is any violation of the approved/notified price of a Scheduled formulation, action is taken under the provisions of the DPCO, 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. NPPA monitors the prices of medicines as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd. The Government takes corrective measures where the public interest is found to be adversely affected.